

The Skilled Framing Carpenter Shortage on the Central Coast of California: A Focus on Residential Construction

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The residential construction industry has many critical components. When one of these components is not operating optimally, it can be detrimental to the system as a whole. A critical component to residential construction is skilled craftspeople. Without them, there can be no significant physical work completed on any residential project. Currently the component of skilled craftspeople in residential construction is in a state of short supply. Throughout the United States, there is an inadequate amount of craftspeople to fill the demand for their skills. The Central Coast of California is experiencing this issue much like the rest of the nation is, however there are special circumstances to consider. The location and demographics of the Central Coast exaggerate the shortage and the framing trade in this region is taking a particularly hard hit. Framer shortages are crippling residential projects in the area due to the especially critical nature of the work. Solutions to this issue are not easy and they will not happen overnight, but not all hope is lost. With careful thought, short-term and long-term solutions for the skilled framer shortage can be successfully executed in the Central Coast of California.

Key Words: Construction, Skilled Labor Shortage, Framers, Residential, Central California

Introduction

A major problem the construction industry currently faces is the significant disparity between the supply of qualified craftspeople and the demand for their skills (Riccardi, 2016). The reasons for the lack of skilled craftspeople have been largely identified through generalizations on the construction industry as a whole. “The Great Recession of 2008 forced many contractors working in the skilled trades out” (Costanzo, 2018), and sadly many have not returned. Additionally, the “baby boom generation of skilled trade workers is approaching retirement” (Costanzo, 2018), with a lack of new workers to fill their boots. “Millennials are not pursuing the blue-collar workforce,” but are rather “looking for more tech-savvy careers in white-collar environments” (Riccardi, 2016). All of these forces acting together created the current skilled craftspeople shortage along with a heavy load of consequences.

Without skilled craftspeople, the construction industry faces many issues. The shortage causes “many firms to increase pay, benefits and overtime to retain and attract workers” (Hess, 2014). Inflated schedules, increased cost, and decreased quality of work are all products of the skilled labor shortage (Sedam, 2016). Loss of control over the schedule, cost, and quality of a project is met with loss of worker safety. Experts “in the industry express concern about the implications of the labor shortage for worker safety” (Kenealy, 2014). This is due to underqualified workers being used on jobsites for the lack of qualified ones. Negative effects from the shortage of skilled craftspeople effects everyone involved with a construction project.

“The solution to the skilled worker shortage is two-fold. First, the situation must be stabilized for the short term, and second, special programs must be implemented to avoid the long term problems” (Chini, Brown, & Drummond, 1999). This may be true, but it is easier said than done. Take notice that this specific case study referenced is from 1999 and the skilled craftspeople shortage has remained a significant problem to this day. Some short-term solutions involve retaining good contractor-subcontractor relations through offering bonuses, overtime opportunities, loyalty rewards, and promotions (Chini, Brown, & Drummond, 1999). These short-term solutions are merely a bandage over gaping wounds and are not ideal for contractors. Some long-term solutions involve changing the image of working as a skilled craftsperson, increasing the amount of trade-school programs offered, and giving scholarships to students to attend those programs (Costanzo, 2018). Long-term solutions require continual effort with a gap in

time before they are determined successful or not. It is apparent that both short-term and long-term solutions have numerous considerations to be had with no guarantee of success.

A Focus on Framers

It is difficult to look at every construction trade when studying the causes of, effects of, and solutions to skilled craftspeople shortage. For the purpose of this case study, the specific trade of framing will be examined. “Virtually every industry that depends on a skilled craft labor pool is feeling the pinch” (McConnell, 2007), however the situation of the framing industry is more severe. The Associated General Contractors of America (AGC of America) conducted a 2015 national workforce survey in which 73% of the 609 participating contractors that perform framing work reported having difficulty finding qualified carpenters. According to the AGC of America survey, carpenters stand as the most difficult group of skilled craftspeople to recruit across the nation. Framing carpenters “are part of the larger profession of carpentry, and are often simply referred to as carpenters” (Korpella). The duties of a framer include constructing major permanent and temporary structural components of buildings. From this, it is reasonable to conclude that there will be major consequences for construction firms that fail to obtain sufficient amounts of qualified framing carpenters.

The Central Coast of California

This case study will analyze a peculiar region known as the Central Coast of California. There are special considerations with this location that relate directly to the demographics and geography. The construction industry on the Central Coast is experiencing extreme stresses brought on by framer shortages. Firstly, the causes of these shortages are important to identify when conceptualizing solutions. Secondly, the effects of these shortages have to be recognized and analyzed to further assist the process of solving the issue. Finally, the solutions that exist are both short-term and long-term, but there is emphasis on discovering the most appropriate long term solution.

Methodology

Initial data was collected from Coastal Community Builders (CCB), a developer and builder located in Pismo Beach, California. CCB started building homes in 1988 and has become a leading home builder on the Central Coast with over two-thousand homes built. The data was collected through an interview with two project managers in CCB’s builder division; Jacob Grossman and Demetri Golpashin. Jacob Grossman began working with CCB in May of 2012 and had a year of prior construction experience. Demetri Golpashin started with CCB in January of 2016 and had six years of prior construction experience. Much of the data collected from the interview is qualitative in nature and it serves to give a better understanding of how a general contractor in the central coast experiences a lack of framers. The interview outlines the causes of the framer shortage, the effects on CCB, and the steps taken to mitigate damages. Additional data was received from a job in Templeton that CCB is currently working on that outlines the troubles experienced onsite due to the shortage of framers.

CCB has three framing subcontractors that they currently regularly work with. These three subcontractors were contacted either through phone or email and asked a consistent list of six questions pertaining to their experience with the shortage of framers. The questions provide a different angle at the issue of framer shortage in the Central Coast area. Studying the status of the framing subcontractors in the region will give better insight on what possible solutions can be implemented to fix the problem. The questions and responses will be laid out in the results.

Results

Construction industries across the United States are experiencing negative effects from the framer shortage (Riccardi, 2016) and the Central California Coast is no exception. The construction industry in the Central Coast is a vacuum between two massive self-sustaining metropolitan areas, the San Francisco Bay Area and Los Angeles (Grossman). This remote location creates a less than ideal climate for residential construction. The demand for housing is huge, while the labor pool to pull from is drastically smaller than other portions of California.

Coastal Community Builders

The reasons for framer shortage in the Central Coast deal with either the framing contracting firms or the framers themselves. Many framing contractors in the area are resistant towards growth. In 2013-2014, CCB encouraged singular subcontractors from a few critical construction trades (framers included) to grow, with guaranteed work provided by CCB lasting into the next several years. Unfortunately, there weren't framing subcontractors or any other critical trades that were compelled by this offer (Grossman). There is limited diversity within the greater construction industry for this region. Commercial, residential, specialty, and public works construction don't follow a predictable cycle in the Central Coast as they might elsewhere. Most subcontractors fear the dramatic cyclical nature of residential construction. This mixed with residual fear from the recent recession, makes subcontractors hesitant to grow in the residential sector with the uncertainty of where the market is heading next (Golpashin). By 2015-2016, residential construction had been so strong and consistent that subcontractors were finally convinced to expand their operations and buckle down with CCB. Subcontractors then attempted to hire on more skilled craftsmen, but had little success (Grossman). Housing development depends not only on the desire for the subcontractors to grow, but also on the ability of those subcontractors to find qualified craftspeople if they decide in favor of growth.

Framer Survey Results

The data received from the framing contractors shed light on the status of the framer shortage. The survey sent out to the three framing subcontractors CCB deals with are shown directly below. The responses are shown below the list of questions (see tables, 1, 2, and 3).

- 1 About how many skilled framers does _____ currently employ?
- 2 Does this number adequately support the amount of framing work that is offered in the Central Coast?
- 3 Does _____ employ any employees that may be under qualified due to lack of qualified framers?
- 4 Does _____ have plans to expand the amount of skilled framers employed? Why or why not?
- 5 If _____ is looking to hire skilled framers, is it difficult to find qualified workers?
- 6 What are some general opinions on the current state of construction and the framer workforce in the central coast area?

Table 1

Subcontractor A

Question	Response
1	31
2	Work gets tight sometimes, but the current amount of carpenters is adequate enough
3	Yes, but have enough journeymen look after the less qualified
4	Yes, would like to hire and train, hard to find people looking for this type of work
5	Yes, trying to find well rounded framers
6	Many framers can do one thing good enough, hard to find a well rounded framer

Table 2

Subcontractor B

Question	Response
1	85
2	Most of the time, if framers are needed, we pull from other regions
3	Yes, but if a new hire can't perform they are let go
4	Yes, the market is strong and we are paying our current framers more than they are worth
5	Yes
6	The industry and labor force is constantly evolving, keeping us on our toes

Table 3

Subcontractor C

Question	Response
1	70
2	No, another 30 would keep up with schedule
3	Yes, causes delays and injuries
4	Yes, more need now than in the past 10 years
5	Yes, most skilled framers are already employed, so most new hires are in the learning stage
6	Difficult to skilled framer; can require paying in cash, higher wages, and incentives

Survey Analysis

From the survey, it is clear that all three firms would benefit from hiring on new skilled framers but all of them struggle to do so. The inability for framing firms to hire qualified framers in the Central Coast is attributed to a few reasons. During the past few decades, there has been a decreasing interest in becoming a craftsperson due to the change in attitude towards construction work. Working in construction used to be an honorable all-American job, but it is not seen that way anymore and there is now a heavy focus on education leading students towards working in management (Grossman). Additionally, many skilled craftspeople got pushed out of the construction industry during the last market downturn. These workers were forced to find work in other industries and they have little reason to come back (Golpashin). Lastly, the cost of living in the Central Coast region is very expensive and this deters many framers from potentially moving to the area. There are plenty of regions with a lower living cost and sufficient amounts framing work that pay nearly as well. Unfortunately, many of these regions, such as Bakersfield, CA, are too far from the central coast to pull framers from (Grossman).

Templeton Job Analysis

CCB's inability to find framing subcontractors goes hand in hand with the inability of those subcontractors to find framers. There are strategies that CCB has implemented in attempt to attract the few framing subcontractors that have an adequate amount of skilled framers. CCB has a residential tract development in Templeton, CA that has experienced problems with framers. The initial contracted framing subcontractor was asked to leave due to failure to meet deadlines. A framing subcontractor from an ongoing CCB job in Santa Maria, CA was asked to send some framers, about a fifty-minute drive (Grossman). A few framers were pulled off the Santa Maria job and came up to frame in Templeton. Although the Templeton job desperately needed this, there were noticeable negative effects on the Santa Maria job from this (Golpashin). After about a month and a half, the new framers on the Templeton job stopped showing up. The subcontractor said they couldn't force their framers to drive that far and that there was enough work closer by to suit their needs. Incentives such as gas money, lunch money, and weekly bonuses were offered, but the framers refused (Grossman). Framers are pieceworkers and get paid upon completion rather than hourly. The drive wasn't worth it to the framers due to the amount of work they could complete at closer jobs

instead (Golpashin). It is surprising that even with the substantial incentives offered, the second framing subcontractor had to back out of the project. CCB had reach out other trades on the Templeton job for framing references. They ended up finding one in Salinas, CA, about an hour and a half northbound. This new framing subcontractor came with a hefty premium and a fifteen day pay cycle. Although this was not ideal, it was necessary to keep the Templeton job up and running (Grossman). Data on the Templeton job can be seen listed below.

- 1 Average framing labor cost per house
 - Started between \$6.80-8.70 per square foot
 - Now at \$8-12 per square foot
 - Increase in labor costs from 9% to 42%, elevation dependent
- 2 Units completed by each framing sub
 - 1st: 14 units
 - 2nd: 32 units
 - 3rd: 61 units
- 3 Average increase in cost from each sub
 - Approximate labor increase from beginning of project to now across each plans:
 - Plan A – 27%; Plan B – 34%; Plan C – 37%; Plan D – 10%; Plan E – 11%; Plan F – 17%
- 4 Time delay in changing subs
 - Approximately 2-3 months lag between all framing transitions
 - Short lag between 1st and 2nd
 - Long lag between 2nd and 3rd
 - Lag time due to searching for replacement framers and then overcoming the learning curve
- 5 Reasons for framing subcontractor replacements
 - First framing subcontractor asked to leave because it was taking 6 weeks to frame a standard plan with inadequate onsite supervision.
 - Second framing subcontractor on the job walked off because they could not get crews to drive from Santa Maria to Templeton.
- 6 Current status of framing subcontractor
 - Third framing subcontractor's first crew was taking too many weeks to complete work due to no onsite supervision.
 - Third framing subcontractor is now picking up speed and building a good crew with onsite supervision daily.

Upon examination of the Templeton job, it is apparent that there were numerous pitfalls directly related to framer shortage. The increase in frame labor cost is substantial and makes the project less profitable. The delays caused by the transitions between framing subcontractors put the project behind schedule with additional budget impacts incurred. Even though it took three attempts, CCB succeeded in finding a suitable framing subcontractor. CCB executed short-term solutions successfully but they were less than ideal.

Conclusions

The framer shortage stands as one of the most significant issues in residential construction on the Central Coast. General contractors are having troubles contracting out framing subcontractors that employ enough skilled framers. Coastal Community Builders is trying to grow and build more houses but is being greatly impeded. CCB attempted a long-term solution by offering loyalty to a framing subcontractor that promised to grow. It seemed that this could solve the framer shortage for CCB, but the attempt fell short when the framing subcontractor couldn't find any qualified framers to hire on. CCB found a short-term solution to a bad situation with their Templeton job when finding a framer seemed almost hopeless. This short term solution of paying premium prices on a bi-monthly pay cycle is not something that any general contractor would want to do unless completely necessary. CCB has attempted an alternative long-term solution with little luck. They have contacted subcontractors on the north and south borders of the Central Coast regions to inquire about their interest in slowly expanding into CCB's region (Golpashin). Other long-term solutions for the framer shortage exist, but they are out of CCB's hands.

The most reasonable long term solution involves two major steps. Initially, there needs to be an increase in the number of qualified framers. Following that there would be an increase in the number of framing firms in order to efficiently employ the framers across the vast Central Coast.

The initial step of increasing the number of skilled framers is tough. It was previously mentioned that the job of a construction worker is not glorified but rather heavily criticized. Changing this public opinion that has been solidified over decades is going to be difficult. Mike Rowe has been a leading advocate in the attempt to change this mind set. He has spoken to a Congressional panel about the misconceptions towards trade work and how major efforts must be made to change the negative image (Costanzo, 2018). The steps that Mike Rowe are taking to change public opinion on construction work are not going unnoticed. The Mike Rowe foundation gave out, “more than \$3 million in education funds connecting students and trade schools” (Costanzo, 2018). For Mike Rowe’s model to work in the Central Coast, there needs to be existing trade programs in place sensationalized by advertisements with an emphasis on financial support. There are talks of Cuesta College and Allan Hancock College reinstating their trade programs in the near future (Grossman). These trade programs coupled with proper marketing and student funding could significantly raise the number of framers pumped out on the Central Coast.

If everything goes according to plan, then all those new framers are going to need a place to work. The existing framing subcontractors could take in many of the emerging framers. This was proved by the surveys sent out to the three framing subcontractors that CCB works with, but they would eventually reach a capacity. It would be healthy for the residential construction market if new framing firms entered. There’s “plenty of room for it” and “barriers for entry are a lot lower up here [in the Central Coast] than other places” (Golpashin). With lower barriers to enter the market, it seems that emerging firms would not be an issue.

It is very exciting to see that the Central Coast is working towards fixing the issue of skilled framer shortage. To reiterate, the trade programs themselves are not enough. Without proper interest in these programs it is likely that they will not be around for long. There must be sensational advertising combined with financial aid that convinces not only potential students but also their parents. These two components are yet to be studied in the Central Coast, but would be greatly beneficial towards solving the growing problem of skilled framer shortage.

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